
G.K.Publications Private Limited

Statutory Audit for the year
ended 31st March, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
G.K. Publications Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of G.K. Publications Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.:103523W



Raj Kumar Agarwal

Partner

Membership No.:074715

Place: New Delhi

Date: 26th July, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of G.K. Publications Private Limited on the financial statements for the year ended 31st March, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) *In our opinion, the company is not maintaining the proper records of inventory. Further, in the absence of proper records, the discrepancies, if any, between the book records and the physical verification has not been ascertained. However, as explained, the Company has initiated the process of implementing software to maintain records of inventory.*
- (iii)(a) The Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 14,999,777 and the year-end balance of loans granted to such parties was ₹ NIL.
- (b) *In the absence of terms of repayment and payment of interest, we are unable to comment whether the other terms and conditions relating to this loan are, prima facie, prejudicial to the interest of the Company. In our opinion and according to the information and explanations given to us, the rate of interest is, prima facie, prejudicial to the interest of the Company.*
- (c) *In the absence of terms of repayment and payment of interest, we are unable to comment whether the party has repaid the principal amount as stipulated or has been regular in the payment of interest to the Company.*
- (d) *In absence of terms of repayment, we are unable to comment whether there is any overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.*
- (e) The Company had taken loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during



the year was ₹ 49,634,920 and the year-end balance of loans taken from such parties was ₹ 20,152,963.

- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets.

In our opinion internal control system with regard to sale of goods, purchase of inventory and sales returns need to be strengthened in order to be commensurate with the size of the Company and nature of its business. During the course of our audit, we have observed continuing failure to correct material weakness in internal control system of the company.

There are no transactions with respect to sale of services.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, in respect of purchase of traded goods, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating ₹ 500,000 or more in value, the prices are not comparable since similar transactions have not been undertaken with any other party not covered under section 301.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, service tax, income-tax, and other material statutory dues applicable to it.
As informed statutory dues in respect of investor education and protection fund, wealth-tax, sales-tax, customs duty, excise duty and cess are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service tax,



income-tax, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

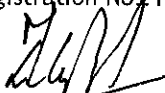
As informed statutory dues in respect of investor education and protection fund, wealth-tax, sales-tax, customs duty, excise duty and cess are not applicable to the Company.

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and in the immediately preceding financial year.
- (xi) According to records of the Company and the information and explanation given to us, there are no dues to a financial institution, bank or debenture holders outstanding during or as at the end of the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised any money by way of public issue during the year.



- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W



Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date: 26th July, 2013

G.K. Publications Private Limited
Balance Sheet as at 31 March 2013

Particulars	Notes	31 March 2013	31 March 2012
		Amount in ₹	Amount in ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,900,000	1,900,000
Reserves and surplus	4	7,040,036	6,082,622
		8,940,036	7,982,622
Non-current liabilities			
Long-term borrowings	5	-	16,917,461
Long-term provisions	6	220,406	70,316
		220,406	16,987,777
Current liabilities			
Short-term borrowings	7	9,400,000	23,317,459
Trade payables	8	101,369,048	47,445,194
Other current liabilities	9	20,240,246	7,668,568
Short-term provisions	6	2,506,242	1,795,964
		133,515,536	80,227,185
Total		142,675,978	105,197,584
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	10	898,463	847,585
-Intangible assets	11	3,500,000	4,520,975
Deferred tax assets (net)	12	80,367	77,288
Long-term loans and advances	13	-	204,903
		4,478,830	5,650,751
Current assets			
Inventories	14	49,614,110	27,594,434
Trade receivables	15	81,543,313	57,451,039
Cash and bank balances	16	5,946,724	3,304,359
Short-term loans and advances	13	1,093,001	11,197,001
Total		138,197,148	99,546,833
		142,675,978	105,197,584
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

This is the balance sheet referred to in our report of even date attached.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.: 103523W

NEW DELHI

Raj Kumar Agarwal

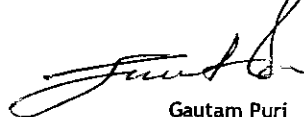
Partner

Membership No.: 074715

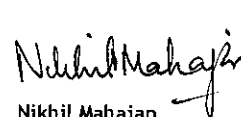
Place: New Delhi

Date: 26 July 2013

For and on behalf of the Board of directors of
G.K. Publications Private Limited



Gautam Puri
Director



Nikhil Mahajan
Director

Place: New Delhi
Date: 26 July 2013

G.K. Publications Private Limited
Statement of Profit and Loss for the year ended 31 March 2013

Particulars	Notes	31 March 2013	31 March 2012
		Amount in ₹	Amount in ₹
Income			
Revenue from operations	17	150,611,375	122,661,698
Other income	18	2,025,392	382,464
Depreciation adjustment due to change in policy	10	-	1,114,196
Total Revenue (I)		152,636,767	124,158,358
Expenses			
Purchases of stock-in-trade	19	144,140,667	117,037,817
Increase in inventories of traded goods	20	(22,019,676)	(3,494,434)
Employee benefit expenses	21	7,687,716	5,834,156
Finance costs	22	694,777	656,006
Depreciation and amortisation expense	23	1,309,471	921,446
Other expenses	24	17,141,381	10,619,434
Total expenses (II)		148,954,336	131,574,425
Profit/(Loss) before exceptional items, extraordinary items, prior period items and tax (I - II)		3,682,431	(7,416,067)
Exceptional items (net)	10	-	(13,572,171)
Profit before extraordinary items, prior period items and tax		3,682,431	6,156,104
Prior period (income)/expenses (net)	25	655,138	419,104
Profit before tax		3,027,293	5,737,000
Income tax expense:			
Tax adjustments for earlier years			
-Current tax		466,055	-
-Reversal of Minimum alternate tax (MAT) credit		204,903	-
-Deferred tax (benefit)/ charge		204,093	-
Tax expenses (for current year)			
-Current tax		1,402,000	1,234,766
-MAT credit		-	(172,284)
-Deferred tax (benefit)/ charge	12	(207,172)	156,138
Total tax expenses		2,069,879	1,218,620
Profit after tax		957,414	4,518,380
(Loss)/ earnings per share			
-Basic	26	5.04	23.78
-Diluted		5.04	23.78

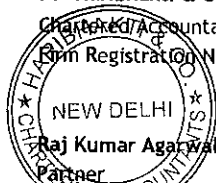
Summary of significant accounting policies 2

The accompanying notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date attached.

For Haribhakti & Co.

Chartered Accountants
Firm Registration No.: 107523W



Raj Kumar Agarwal
Partner

Membership No.: 074715

Place: New Delhi

Date: 26 July 2013

For and on behalf of the Board of directors of
G.K. Publications Private Limited

Gautam Puri
Director

Place: New Delhi

Date: 26 July 2013

Nikhil Mahajan
Director

G.K. Publications Private Limited
Cash Flow Statement for the year ended 31 March 2013

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
A Cash flow from operating activities		
Net profit before tax and after prior period items	3,027,293	5,737,000
Adjustments for:		
Depreciation and amortization [including effect of change in accounting policy of ₹ nil (previous year ₹ (1,114,196))]	1,309,471	(192,750)
Finance costs (excluding interest on delayed payment of income tax)	529,093	656,006
Interest in delay in payment of income tax	165,684	-
Liability no longer required written back	(18,000)	(382,464)
Advances written off	-	504,210
Fixed assets written off	-	24,838
Gain on sale of tangible fixed assets (included in exceptional items)	-	(13,572,171)
Operating profit/(loss) before working capital changes	5,013,541	(7,225,331)
Adjustments for (increase) / decrease in operating assets:		
Inventories	(22,019,676)	(3,494,434)
Trade receivables	(24,092,274)	(4,962,383)
Short term loan and advances	10,104,000	(11,064,277)
Other current assets	-	6,000
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	53,923,854	(827,703)
Other current liabilities	1,367,988	(397,388)
Long term provisions	150,090	70,316
Short term provisions	315,651	748,907
Cash generated from operations	24,763,174	(27,146,293)
Taxes and interest thereon paid (net of refund including thereon)	(1,639,112)	(185,400)
Net cash generated from operating activities	23,124,062	(27,331,693)
B Cash flow from investing activities:		
Capital expenditure on fixed assets (net of movement of payables on purchase of fixed assets)	(339,374)	(366,083)
Proceeds from sale of fixed assets	-	20,714,468
Net cash used in Investing activities	(339,374)	20,348,385
C Cash Flow from financing activities:		
Finance cost paid	(60,366)	(656,006)
Proceeds from short-term borrowings	(26,335,030)	3,250,134
Repayment of short-term borrowings	12,417,571	(9,727,568)
Proceeds from long-term borrowings	(6,164,498)	16,917,461
Repayment of long-term borrowings	-	(570,073)
Net cash flow from financing activities	(20,142,323)	9,213,948
Net (decrease) / increase in cash and cash equivalents (A+B+C)	2,642,365	2,230,640
Cash and cash equivalents (Refer note 16)		
-at beginning of the year	3,304,359	1,073,719
-at end of the year	5,946,724	3,304,359

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G.K. Publications Private Limited
Cash Flow Statement for the year ended 31 March 2013

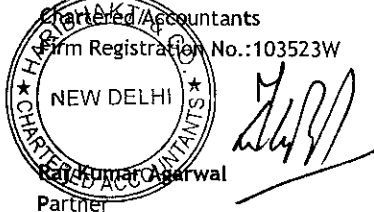
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Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under section 211(3C) of the Companies Act, 1956.
2. Notes to the Financials Statements are integral part of the Cash Flow Statement.

This is the cash flow statement referred to in our report of even date attached.

For Haribhakti & Co.



Chartered Accountants
Firm Registration No.:103523W
Gaurav Kumar Agarwal
Partner
Membership No.:074715
Place: New Delhi
Date: 26 July 2013

For and on behalf of the Board of directors of
G.K. Publications Private Limited

Two handwritten signatures are present. The first is "Gautam Puri" and the second is "Nikhil Mahajan".

Gautam Puri
Director
Nikhil Mahajan
Director

Place: New Delhi
Date: 26 July 2013

G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

1. BACKGROUND

G.K. Publications Private Limited ("the Company") was incorporated on May 28, 2001 under the Companies Act, 1956. The Company operates in a test preparation industry through distribution of study resources, study guides, sample test papers and question banks to help students improve their performance in professional examinations like GATE, IES, IAS, IIT, AIEEE, etc. CL Educate Limited holds 76% (previous year 51%) equity shares of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis for preparation of financial statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iii) Stock in trade

Stocks in trade are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(iv) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically, the following basis is adopted:

Sale of books and scrap

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and trade discounts.

Royalty income

Royalty income is recognized if the right to receive payment is established by the balance sheet date.

(v) Fixed Assets

Tangible Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.



G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

Intangible Assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

(vi) Depreciation / Amortization

Depreciation and amortisation has been calculated on Straight Line Method at the following useful life, based on management estimates, which are equal to or higher than the rates specified as per schedule XIV of the Companies Act, 1956 and which in the opinion of the management are reflective of the estimated useful lives of the Fixed Assets:-

Particulars	Useful life (years)
Tangible Assets:	
Furniture and Fixtures	5
Office Equipment	5
Computer Equipment	5-7
Intangible Assets:	
Software	1-5
Non compete fees	5

Depreciation and amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard from fixed assets is provided for upto the date of sale, deduction or discard of fixed assets as the case may be.

All assets, costing ₹ 5,000 or below are depreciated in full by a one-time depreciation charge.

(vii) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(viii) Foreign exchange transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.



G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

(ix) Employee Benefits

(a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as Short term employee benefits. Benefits such as salaries, wages, and bonus etc are recognized in the statement of profit and loss in the period in which the employee renders the related service.

(b) Long term employee benefits:

(i) Defined contribution plans: Provident Fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952). These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to the scheme are expensed off in the statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Defined contribution plans: Employee state insurance

Employees whose wages/salary is within the prescribed limit as stated in the Employee State Insurance Act, 1948, are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to the scheme are expensed off in the statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

(iii) Defined Benefit Plans: Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the statement of profit and loss. The expected return on plan assets is based on the assumed rate of return of such assets. The Company contributes to a trust set up by the company which further contributes to a policy taken from the Life Insurance Corporation of India.

(iv) Other long-term benefits: Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the end of the year. Actuarial gain and losses are recognized immediately in the statement of profit and loss.



G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

(x) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(xi) Taxation

Tax expense for the year comprising current tax and deferred tax is included in determining the net profit for the year.

Current Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the Balance Sheet date.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.



G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

(xiii) Borrowing cost

Borrowing costs relating to acquisition or construction or production of assets which takes substantial period of time to get ready for its intended use are included as cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(xiv) Provisions, Contingent Liabilities and Contingent Assets:

Provision

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Provision for sales returns is recognised to the extent of estimated margin on expected returns based on past trends.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

(xv) Exceptional items

Items of income and expense from ordinary activities which are of such size, nature or incidence that, their disclosure is relevant to explain the performance of the enterprise for the period, are disclosed separately in the statement of profit and loss as exceptional item.

(xvi) Material events

Material events occurring after the balance sheet date are taken into cognizance.

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G.K. Publications Private Limited
Notes to Financial Statements for the year ended 31 March 2013

3 Share Capital

	31 March 2013		31 March 2012	
	Number	Amount in ₹	Number	Amount in ₹
Authorised Shares				
Equity shares of ₹ 10 (Previous year ₹ 10) each with equal voting rights	250,000	2,500,000	250,000	2,500,000
Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 (Previous year ₹ 10) each with equal voting rights	190,000	1,900,000	190,000	1,900,000
	190,000	1,900,000	190,000	1,900,000

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	31 March 2013		31 March 2012	
	Number	Amount in ₹	Number	Amount in ₹
Shares outstanding at the beginning of the year	190,000	1,900,000	190,000	1,900,000
Shares outstanding at the end of the year	190,000	1,900,000	190,000	1,900,000

b. Terms/rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting except in the case where interim dividend is distributed.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/associates

As at 31 March, 2013, 144,400 equity shares (As at 31 March, 2012: 96,900 equity shares) were held by the Holding Company CL Educate Limited. These have been acquired from the promoters of the Company on 1 October, 2011. Additionally in accordance with the purchase agreement dated 12 November, 2011 entered by and between the Holding Company and the other shareholders, the entire equity share capital will be acquired by the Holding Company by 30 June, 2013.

d. Detail of shareholders holding more than 5% of equity share of the Company

Name of the Shareholder	31 March 2013		31 March 2012	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
CL Educate Limited	144,400	76.00%	96,900	51.00%
Rakesh Mittal	25,080	13.20%	51,205	27.00%
Poonam Mittal	20,520	10.80%	41,895	22.00%
	190,000	100.00%	190,000	100.00%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.



G.K. Publications Private Limited

Notes to Financial Statements for the year ended 31 March 2013

e. No class of shares have been allotted as fully paid up pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.



G.K. Publications Private Limited
Notes to Financial Statements for the year ended 31 March 2013

4 Reserves and Surplus

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Surplus in the statement of profit and loss		
Opening balance	6,082,622	1,564,242
(+) Net profit for the year	957,414	4,518,380
Total reserves and surplus	7,040,036	6,082,622

5 Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Loans and advances from related parties				
-Unsecured (refer footnote i and note 34)	-	16,917,461	10,752,963	-
The above amount includes				
Amount disclosed under the head "Other current liabilities" (Refer note 9)	-	-	(10,752,963)	-
Net Amount	-	16,917,461	-	-

Footnotes

i. Amount indicated above represent interest free loan taken by G. K. Publications Private Limited from its director Mr. Rakesh Mittal, which is payable by June 30, 2013. The same has been guaranteed for payment by the Holding Company.

6 Provisions

	Long-term		Short-term	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Provision for taxes				
-for Income tax [net of advance tax and tax deducted at source of ₹ 1,832,362 (previous year ₹ 545,900)]	-	-	1,473,000	1,078,373
Provision for sales return (Refer footnote i)	-	-	998,559	711,696
Provision for employee benefits				
Gratuity (Refer note 29)	206,081	53,210	32,234	1,109
Leave encashment (Refer note 29)	14,325	17,106	2,449	4,786
Total	220,406	70,316	34,683	5,895
Total (A+B+C)	220,406	70,316	2,506,242	1,795,964

Footnote

i. Provision for sales return has been created for estimated loss of margin on expected sales returns in future period against products sold during the year. The provision has been recorded based on management's estimate as per trend. Following is the movement in provision made:

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Opening balance	711,696	-
(+) Additions during the year	998,559	711,696
(-) Utilised/reversed during the year	(711,696)	-
Closing balance	998,559	711,696



G.K. Publications Private Limited
Notes to Financial Statements for the year ended 31 March 2013

7 Short-term borrowings

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Unsecured loans		
Repayable on demand from Holding Company (Refer footnote i and note 34)	9,400,000	-
Repayable on demand from other related parties (Refer footnote ii and note 34)	-	3,317,459
Other unsecured short term loans from related parties (Refer footnote iii and note 34)	-	20,000,000
Net Amount	9,400,000	23,317,459

Footnotes

- i. Represent loans repayable on demand to the Holding Company. The above loan bears interest rate of 14.25%.
- ii. Represent interest free loans repayable on demand from directors of the Company. This loan is guaranteed for payment by the Holding Company.
- iii. Represent interest free loans repayable within one year of the reporting date from directors of the Company. This loan is guaranteed for payment by the Holding Company.

8 Trade payables

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Trade payable (Refer note 33 and footnote i)	101,369,048	47,445,194
	101,369,048	47,445,194

Footnote

- i. Includes amount due to related party (Refer note 34).

9 Other current liabilities

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Current maturities of long term borrowing (Refer note 5 and note 34)	10,752,963	-
Interest accrued but not due on loans from related parties (Refer note 34)	468,727	-
Payable for expenses	1,253,817	1,232,024
Employee related payables	1,499,291	726,546
Payable for purchase of fixed assets to related parties (Refer note 33 and note 34)	5,000,000	5,000,000
Advance from customers	958,194	637,333
Payable to government authorities	307,254	72,665
	20,240,246	7,668,568

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G.K. Publications Private Limited
Notes to Financial Statements for the year ended 31 March 2D13

1D Fixed assets- Tangible assets

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 1 April 2D12	Addition during the year	Assets written of or sold during the year (Refer footnote i)	Up to 31 March 2D13	As at 1 April 2D12	Depreciation adjustment due to change in policy (Refer footnote ii)	For the year	Assets written of or sold during the year	Up to 31 March 2D13	As at 31 March 2D13	As at 31 March 2D12
Owned Assets											
Furniture and fixtures	80,941	204,184	-	285,125	15,667	-	47,055	-	62,722	222,403	65,274
Office equipments	271,328	39,690	-	311,018	65,778	-	53,516	-	119,294	191,724	205,550
Computers	1,107,579	95,500	-	1,203,079	530,818	-	187,925	-	718,743	484,336	576,761
Total	1,459,848	339,374	-	1,799,222	612,263	-	288,496	-	900,759	898,463	847,585
Previous year (Refer footnote i)	8,801,021	344,093	7,685,266	1,459,848	1,824,159	(1,114,196)	420,421	518,121	612,263	847,585	-

Footnotes:

i. In the previous year, Land, building and vehicle with written down value amounting to ₹ 7,142,297 (Gross block ₹ 7,651,666) had been sold to the director of the Company for a consideration of ₹ 20,714,468. Gain of ₹ 13,572,171 on sales of fixed asset arising herewith had been disclosed as an exceptional item in the statement of profit and loss.

ii. Depreciation adjustment made on account of change in method of depreciation from written down value method to straight line method in the previous year ended 31 March 2D12.

11 Fixed assets- Intangible assets

DESCRIPTION	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 1 April 2D12	Addition during the year	Assets written of or sold during the year	Up to 31 March 2D13	As at 1 April 2D12	For the Year	Assets written of or sold during the year	Up to 31 March 2D13	As at 31 March 2D13	As at 31 March 2D12
Computer softwares	22,000	-	-	22,000	1,025	20,975	-	22,000	-	20,975
Non-compete fees	5,000,000	-	-	5,000,000	500,000	1,000,000	-	1,500,000	3,500,000	4,500,000
Total	5,022,000	-	-	5,022,000	501,025	1,020,975	-	1,522,000	3,500,000	4,520,975
Previous year	-	5,022,000	-	5,022,000	-	501,025	-	501,025	4,520,975	-



G.K. Publications Private Limited

Notes to Financial Statements for the year ended 31 March 2013

12 Deferred tax asset (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net increase in deferred tax asset of ₹ 3,079 has been recognised as charge in the statement of profit and loss. The tax effect of significant timing differences as at 31 March 2013 that reverse in one or more subsequent years gave rise to the following net deferred tax liability as at 31 March 2013.

Deferred tax assets and liabilities are attributable to the following:

	31 March 2013	Benefit/ (Charge) for the year	31 March 2012
	Amount in ₹	Amount in ₹	Amount in ₹
Deferred tax assets			
Provision for leave encashment	5,183	(1,582)	6,765
Provision for gratuity	73,639	56,854	16,785
Provision for sales return	308,555	88,641	219,914
Total deferred tax assets	387,377	143,913	243,464
Deferred tax liabilities			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(307,010)	(140,834)	(166,176)
Total deferred tax liabilities	(307,010)	(140,834)	(166,176)
Net deferred tax asset	80,367	3,079	77,288

In assessing the realisability of deferred tax assets, management considers whether it is reasonable, that some portion, or all, of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the timing differences become deductible.

13 Loans and advances

	Long-term		Short-term	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Unsecured, considered good, unless otherwise stated				
Advance to suppliers	-	-	857,139	36,950
Loans and advances to related parties (Refer note 34)	-	-	-	10,979,777
Security deposits	-	-	1,000	1,000
MAT credit entitlement	-	204,903	-	-
Prepaid expenses	-	-	112,547	51,385
Loans and advances to employees	-	-	122,315	127,889
Total	-	204,903	1,093,001	11,197,001

14 Inventories

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Valued at lower of cost or net realisable value		
Stock in trade	49,614,110	27,594,434
	49,614,110	27,594,434



G.K. Publications Private Limited
Notes to Financial Statements for the year ended 31 March 2013

15 Trade receivables

Unsecured, considered good, unless otherwise stated

Outstanding for a period exceeding six months from the date they are due for payment

-Considered good

Others

-Considered good (Refer footnote a)

31 March 2013	31 March 2012
Amount in ₹	Amount in ₹
3,317,562	2,941,453
78,225,751	54,509,586
<u>81,543,313</u>	<u>57,451,039</u>

Footnote: a

Include amount due from related party (Refer note 34)

16 Cash and bank balances

Cash and cash equivalents

Cash on hand

Balances with banks:

- in current accounts

Cheques/ drafts on hand

31 March 2013	31 March 2012
Amount in ₹	Amount in ₹
127,999	44,300
5,340,196	2,713,010
478,529	547,049
<u>5,946,724</u>	<u>3,304,359</u>

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17 Revenue from operations

	31 March 2013 Amount in ₹	31 March 2012 Amount in ₹
Revenue from operations		
Sale of books	149,564,753	122,203,198
Other operating revenue		
Royalty Income	-	58,500
Sale of scrap	1,046,622	400,000
Revenue from operations	150,611,375	122,661,698

Footnote a. The Company deals in only one product namely "Trading of books". Hence disclosures under broad heads are not applicable. Additionally, electronic storage disks sold are delivered with books (wherever applicable) as an integral part of sale and hence their value thereof cannot be determined separately.

18 Other Income

	31 March 2013 Amount in ₹	31 March 2012 Amount in ₹
Liability no longer required written back	18,000	382,464
Rebate and discounts (refer note 34)	2,002,274	-
Leave encashment excess provision written back (refer note 29)	5,118	-
	2,025,392	382,464

19 Purchase of Stock-in-trade

	31 March 2013 Amount in ₹	31 March 2012 Amount in ₹
Text books (refer note 34)	144,140,667	116,376,483
Electronic storage disks	-	661,334
	144,140,667	117,037,817

20 (Increase)/decrease in inventories of Stock-in-trade

	31 March 2013 Amount in ₹	31 March 2012 Amount in ₹
Inventories at the end of the year	49,614,110	27,594,434
Inventories at the beginning of the year	27,594,434	24,100,000
Net (increase)/decrease	(22,019,676)	(3,494,434)

21 Employee benefit expenses

	31 March 2013 Amount in ₹	31 March 2012 Amount in ₹
Salary, wages, bonus and other benefits	6,675,040	5,140,638
Contribution to provident and other funds (refer note 29)	527,130	241,612
Leave encashment expenses	-	21,892
Gratuity expenses	183,996	4,704
Staff welfare expenses	301,550	425,310
	7,687,716	5,834,156

22 Finance costs

	31 March 2013 Amount in ₹	31 March 2012 Amount in ₹
Interest expenses		
- On borrowings (refer note 34)	520,808	624,028
- On delay in payment of income tax	165,684	-
- On delay in payment of other statutory liabilities	8,285	31,978
	694,777	656,006



23 Depreciation and amortisation expenses

Depreciation of tangible assets (refer note 10)
Amortisation of intangible assets (refer note 11)

31 March 2013	31 March 2012
Amount in ₹	Amount in ₹
288,496	420,421
1,020,975	501,025
1,309,471	921,446

24 Other expenses

Consumption of packing materials
Rates and taxes
Travelling and conveyance expense
Legal and professional expenses (refer note 30)
Communication expenses
Business promotion
Insurance expenses
Freight and cartage
Repair and maintenance
- Building
- Others
Power and fuel
Fixed assets written off
Advances written off
Printing and Stationery
Rebates and discounts
Bank charges
Foreign exchange loss (Net)
Provision for sales return (refer note 6)
Miscellaneous expenses

31 March 2013	31 March 2012
Amount in ₹	Amount in ₹
2,133,795	1,241,478
67,957	4,500
4,268,232	1,818,894
802,166	784,840
966,531	662,538
637,182	625,081
167,723	82,636
2,221,584	37,774
-	114,810
397,144	473,331
468,387	437,806
-	24,838
-	504,210
372,707	317,697
2,803,417	2,229,377
29,457	125,403
-	21,147
998,559	711,696
806,540	401,378
17,141,381	10,619,434

25 Prior period expenses, net

Prior period income

- Freight charges

(20,000)

-

Prior period expenses

- Legal and professional expenses
- Salaries, wages and other benefits
- Rebates and discounts
- Electricity charges
- Freight charges
- Preliminary expenses written off
- Others

7,000
2,076
545,303
10,328
92,419
-
18,012

41,500
120,326
251,278
-
-
6,000
-

Prior period expenses (net)

655,138

419,104



G.K. Publications Private Limited

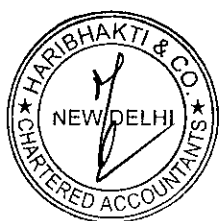
Notes to Financial Statements for the year ended 31 March 2013

26 Basic and diluted earnings per share

The calculation of earnings per Share (EPS) has been made in accordance with Accounting Standard (AS) -20 "Earnings Per Share". A statement on calculation of Basic and Diluted EPS is as under.

	Reference	Units	31 March 2013	31 March 2012
Profit attributable to equity shareholders	A	₹	957,414	4,518,380
Weighted average numbers of equity shares	B	Numbers	190,000	190,000
Add: Dilutive potential equity shares	C	Numbers	-	-
Number of equity shares for dilutive EPS	D=B+C	Numbers	190,000	190,000
Basic earning per share (A/B)		₹	5.04	23.78
Diluted earnings per share (A/D)		₹	5.04	23.78

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G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

27. Contingent liabilities

There are no contingent liabilities as at 31 March, 2013 (previous year ₹ nil).

28. Commitments

There are no commitments as at 31 March, 2013 (previous year ₹ nil).

29. Employee benefit obligations

The Company has in accordance with Accounting Standard-15 'Employee benefits' calculated the various benefits provided to employees as under:

A. Defined contribution plans:

During the year the Company has recognized the following amounts in the statement of profit and loss:

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Contribution to Provident Fund	365,923	178,264
Contribution to Employee State Insurance Scheme	161,207	63,348
Total	527,130	241,612

B. Defined employee benefits and other long term benefit schemes:

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarised positions of various defined benefits are as under:

I. Change in present value of obligation

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Present value of obligation at the beginning of the year	54,319	49,615	21,892	-
Current service cost	68,613	35,786	7,089	21,892
Interest cost	4,346	4,351	1,751	-
Actuarial (gains) / losses	111,037	(35,433)	(13,958)	-
Benefits paid	-	-	-	-
Present value of obligation at the end of the year	238,315	54,319	16,774	21,892

II. Expense recognised in the Statement of profit and loss for the year

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Current service cost	68,613	35,786	7,089	21,892
Interest cost	4,346	4,351	1,751	-
Actuarial losses/(gains)	111,037	(35,433)	(13,958)	-
Expense/(income) recognized in the statement of profit & loss (note 21)	183,996	4,704	(5,118)	21,892



G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

III. Amount recognised in the balance sheet

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Present value of obligation at the end of the year	238,315	54,319	16,774	21,892
Fair value of plan assets at the end of the year	-	-	-	-
Funded status [Surplus / (Deficit)]	(238,315)	(54,319)	(16,774)	(21,892)
Unrecognized actuarial (gains)/losses	-	-	-	-
Net asset / (liability) recognized in the Balance Sheet	(238,315)	(54,319)	(16,774)	(21,892)
Amount classified as:				
Long term provision (note 6)	206,081	53,210	14,325	17,106
Short term provision (note 6)	32,234	1,109	2,449	4,786

IV. Actuarial assumptions

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Economic assumptions:				
Discount rate (p.a.)	8.00%	8.77%	8.00%	8.77%
Rate of escalation in salary (p.a.)	5.00%	5.00%	5.00%	5.00%
Demographic assumptions:				
Normal Retirement age	58	58	58	58
Mortality	IALM (1994 - 96)	LIC (1994 - 96)	IALM (1994 - 96)	LIC (1994 - 96)
Withdrawal rates (p.a.)				
18 to 30 years	3%	3%	3%	3%
31 to 44 years	2%	2%	2%	2%
44 to 58 years	1%	1%	1%	1%

V. Experience adjustments

Particulars	(Amount in ₹)			
	Gratuity (unfunded)		Leave encashment (unfunded)	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Present value of obligation	238,315	54,319	16,774	21,892
Fair value of plan assets	-	-	-	-
Surplus / (Deficit)	(238,315)	(54,319)	(16,774)	(21,892)
Experience adjustments on plan liabilities-(loss)/gain	(90,617)	34,361	15,256	-
Experience adjustments on plan assets-(loss)/gain	-	-	-	-

VI. Employer's best estimate of contribution during next year

Particulars	Amount in ₹
Gratuity	142,802
Leave encashment	8,094

- i) The discount rate is based upon the market yields available on Government bonds as at the accounting date with a term that matches that of the liabilities.



G.K. PUBLICATIONS PRIVATE LIMITED**Notes to the Financial Statements for the year ended 31 March 2013**

- ii) The estimates of rate of escalation in salary considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- iii) The above information is certified by the actuary.

30. Auditors remuneration

Particulars	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
Statutory audit (exclusive of service tax)	450,000	450,000
	450,000	450,000

31. Segment reporting

The disclosures as required under Accounting Standard-17 on 'Segment Reporting' has not been provided as the Company deals in one business segment namely "Trading of books". As the Company operates under single geographic location, there are no separate geographical segments.

32. Additional information pursuant to paragraph 5(ii), 5(iii), 5(iv), 5(vii) and 5(viii) of Part II of Schedule VI to the companies Act, 1956 to the extent, either nil or not applicable, has not been furnished.

33. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

	31 March 2013	31 March 2012
	Amount in ₹	Amount in ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in		
- Trade payables	101,369,048	47,445,194
- Other current liabilities		
Payables for expenses	1,253,817	1,232,024
Payable on purchase of fixed assets	5,000,000	5,000,000
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	107,622,865	53,677,218

The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond day each accounting year

-

-

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.

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-

The amount of interest accrued and remaining unpaid at the end of each accounting year.

-

-

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.

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G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

34. Related Party Disclosure

The disclosures as required by the Accounting Standard-18 on "Related Party Disclosures" are as follows:

a. Names of related parties

Relationship	Name of related party
(i) Holding Company	: CL Educate Limited
(ii) Enterprises that are under common control with the reporting enterprise - Fellow subsidiaries	: CL Media Private Limited
(iii) Key managerial personnel	: Rakesh Mittal (upto 31 March 2012) : Poonam Mittal (upto 31 March 2012) : Gautam Puri : Satya Narayanan R. : Nikhil Mahajan : Ravi Mittal (Relative of Director) (upto 31 March 2012)
(iv) Enterprises over which key managerial personnel exercise significant influence	: GK Publishers Private Limited (upto 31 March 2012) : Maple Press Private Limited (upto 31 March 2012) : Koncept books, India (upto 31 March 2012)

b. Included in the financial statements are the following amounts related to transactions and balances with related parties:

	<u>31 March 2013</u> Amount in ₹	<u>31 March 2012</u> Amount in ₹
Transactions with related parties		
a) Sale of books (net of returns)		
<i>Holding Company</i>		
- CL Educate Limited	263,023	-
b) Purchase of books (net of returns)		
<i>Fellow subsidiaries</i>		
- CL Media Private Limited	144,140,667	50,922,832
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Koncept books, India	-	65,453,651
c) Loan taken		
<i>Holding Company</i>		
- CL Educate Limited	9,400,000	-
<i>Key Managerial Personnel</i>		
- Rakesh Mittal	-	41,697,000
d) Repayment of loans		
<i>Key Managerial Personnel</i>		
- Rakesh Mittal	29,478,560	21,316,864
- Poonam Mittal	3,397	6,191
- Ravi Mittal	-	206,350



G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

e) Interest expense on loan*Holding Company**- CL Educate Limited* 520,808 -**f) Loans given***Enterprises over which key managerial personnel exercise significant influence**- Koncept books, India* 4,020,000 10,979,777**g) Proceeds from repayment of loan given***Enterprises over which key managerial personnel exercise significant influence**- Koncept books, India* 14,999,777 -**h) Amount paid on our behalf by***Holding Company**- CL Educate Limited* 1,640,462 -**i) Reimbursement of expenses to related parties***Fellow subsidiaries**- CL Media Private Limited* 1,341,077 219,600**j) Sale of fixed assets***Key Managerial Personnel**- Rakesh Mittal* - 20,714,468**k) Purchase of fixed assets***Holding Company**- CL Educate Limited* - 5,000,000**l) Managerial Remuneration paid***Key Managerial Personnel**- Rakesh Mittal* - 40,000*- Poonam Mittal* - 50,000**m) Other income**

Rebate and discount

- CL Media Private Limited 2,002,274 -**Balance outstanding as at year end****a) Trade Receivables***Holding Company**- CL Educate Limited* 236,023 -*Enterprises over which key managerial personnel exercise significant influence**- G.K. Publishers Private Limited* - 546**b) Short term loans and advances***Enterprises over which key managerial personnel exercise significant influence**- Koncept books, India* - 10,979,777

G.K. PUBLICATIONS PRIVATE LIMITED

Notes to the Financial Statements for the year ended 31 March 2013

c) Trade Payables*Fellow subsidiaries*

- CL Media Private Limited

100,510,771

47,403,232

d) Long term borrowings (including current maturities)*Key Managerial Personnel*

- Rakesh Mittal

10,752,963

16,917,461

e) Short term borrowings*Holding Company*

- CL Educate Limited

9,400,000

-

Key Managerial Personnel

- Rakesh Mittal

-

23,314,062

- Poonam Mittal

-

3,397

f) Other current liabilities**Payable on purchase of fixed assets***Holding Company*

- CL Educate Limited

5,000,000

5,000,000

Interest accrued but not due on loan*Holding Company*

- CL Educate Limited

468,727

-

Guarantee given by Holding Company on our behalf and outstanding as at the end of the year

10,752,963

36,917,461

35. In accordance with recent amendment in the year 2012, the Company has conducted a Transfer Pricing Study using the services of an independent chartered accountant for Specified Domestic Transactions ('SDT') with its associated parties domiciled in India as stipulated in newly inserted Section 92BA of the Income Tax Act, 1961, applicable in India, to determine whether such SDT with associated parties in India are being undertaken at "arm's length basis".

The management is of the opinion that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and are at arms' length, and there will not be any impact on the financial statements as a consequence of the legislation.

36. Previous year's figures have been regrouped and/or re-arranged wherever necessary to conform to current year's groupings and classifications.

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

CIN/Registration No. 103523W



G. K. Agarwal

Partner

Membership No.: 074715

Place: New Delhi
Date: 26 July 2013For and on behalf of board of directors of
G.K. Publications Private Limited

Nikhil Mahajan
Director

Gautam Puri
DirectorPlace: New Delhi
Date: 26 July 2013